



Oregon

Theodore Kulongoski, Governor

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March 14, 2005

Ms. Kristi Maitland
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Terminal 5
ECSI #1686

Dear Kristi:

There are two unresolved issues related to the Terminal 5 (T5) Preliminary Assessment (PA) submitted by the Port of Portland (Port) on September 7, 2000. Both issues are related to the former Blue Lagoon located along the southern property boundary with Oregon Steel Mills:

- 1) Confirmation of groundwater quality in the vicinity of the former Blue Lagoon to allow the Department of Environmental Quality (DEQ) to evaluate the potential groundwater migration pathway and complete the Portland Harbor upland source control determination for the subject site.
- 2) Management of buried Blue Lagoon residual sediment to protect current and future potential human and ecological exposures in an effort to achieve a "no further action (NFA)" determination for the subject site.

Groundwater

The last of seven groundwater monitoring events for the three remaining Blue Lagoon wells (MW-2, MW-3, and MW-4) was conducted on October 19, 1999. Total metal concentrations for barium, iron, and manganese in groundwater exceeded chronic freshwater ambient water quality criteria (AWQC) or DEQ Level II Ecological Screening Level Values (SLVs) used to evaluate upland Portland Harbor sites.

The west end of the former lagoon, near MW-4, is about 1,200 feet from the Willamette River, and the 4/95 report by PTI estimated groundwater travel times from the lagoon to the Willamette River (assumed flow direction) of 226 days to 74 years. It is not clear whether this metal contamination in groundwater could impact Willamette River water and/or sediment in the future. Since groundwater in the vicinity of the Blue Lagoon has not been sampled in over five years, DEQ is requesting that the Port measure water levels and sample groundwater from MW-2, MW-3, and MW-4 for total and dissolved metals analyses and screen the results as described above. This data should be used to evaluate current groundwater conditions and the stability of potential contaminant migration, as part of the DEQ's high priority Portland Harbor upland source control determination for the subject site.

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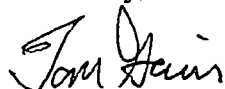
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Buried Sediment

The former Blue Lagoon was filled with imported soil in 1996, thus burying accumulated sediment. Subsurface soil investigations in 1994 and 1995 collected a total of six samples from the buried sediment layer within the former lagoon. Analytical results showed concentrations of barium, chromium, copper, lead, mercury, nickel, zinc, and Arochlor1248 that exceed DEQ SLVs for terrestrial receptors. Although this buried contaminated lagoon sediment is not currently accessible to terrestrial receptors, potential future excavation of this material could result in ecological exposure if the excavated soil was not managed properly. Therefore, DEQ requires a deed restriction to assure appropriate proper soil management to protect ecological receptors for such potential future excavation activity at the former Blue Lagoon location. This institutional control would be required for the Port to achieve an NFA determination for the subject site and is not related to the Portland Harbor source control determination discussed above for groundwater. The DEQ understands that the Port is seeking an NFA for Terminal 5.

Please provide me with a written response and proposed schedule for resolving these two issues by April 22, 2005. Please call me at (503) 229-5326 if you have questions.

Sincerely,



Tom Gainer, P.E.
Project Manager
Portland Harbor Section

cc: Anne Summers, Port
Heidi Blischke, DEQ NWR